Approved For Release 2000 (FOR) - GEORETO R01443R000300160007-6

NSC BRIEFING

1 December 1954

CHINESE OFFSHORE ISLANDS

- I. Commie harassment Nationalist islands expected continue through winter.
 - A. Amphib assaults on even major islands possible any time, but Commies still seem uncertain about US intentions.
 - B. Moreover, assault of Tachens or Quemoys costly even against Nats alone.
- II. Of major groups, Tachens most vulnerable to Commie harassment, because at end of Taipei's longest supply line (plus 200 mi).
 - A. Commie air can hamper Tachens 25X1D0a supply. new airfield building near Haimen.

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- B. Commies could also hamper supply
 with artillery on islands north
 and west.
 several new artillery sites on
 these islands.
- C. Loss of Nat DE near Tachens (14
 Nov) may discourage Taipei from
 risking other guard vessels,
 make both islands and shipping
 more vulnerable to Commie naval
 fire.
- D. Morale of Nats in Tachens could be weakened by capture of out-lying islands (Yushans, Ichiang, Pishan, Nanchishan) most of which bombed during Nov.
- E. Under such pressures, Taipei might decide withdraw Tachens garrison.

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- III. Similar harassment could be extended to Matsus, Quemoys.
 - A. Commies reportedly setting artillery on mainland NW of Matsus.
 - B. Quemoys shelled intermittently throughout November.
 - IV. Commie action against Wuchiu--isolated and unimportant island between Quemoys and Matsus--was greatly exaggerated by press.
 - A. This due mistake by Nat commander on Wuchiu, who sent signal for Commie landing rather than shelling.
 - B. All sources agree several Commie patrol vessels shelled Wuchiu26 November.
 - C. Was third such shelling Wuchiu this year.

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- D. Some sources say large number

 Commie junks tried to land

 after shelling, but doubtful

 landing attempt really made.
- V. Possible Commie submarine activity recently.
 - A. Nat DE may have been hit by surfaced sub rather than by torpedo boats as reported.
 - B. On 26 Nov., Nat DE reportedly made sonar contact 14 miles
 SE Tachens. Nats believe contact was sub.
 - C. Nat officer reports sighting of sub two miles west Wuchiu26 Nov.
 - D. Commies believed have three to six subs based at Tsingtao.

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E. Confirmation of above reports—showing Commie subs capable of operating far from base—would have major significance for Nat navy and perhaps for US 7th Fleet units as well.